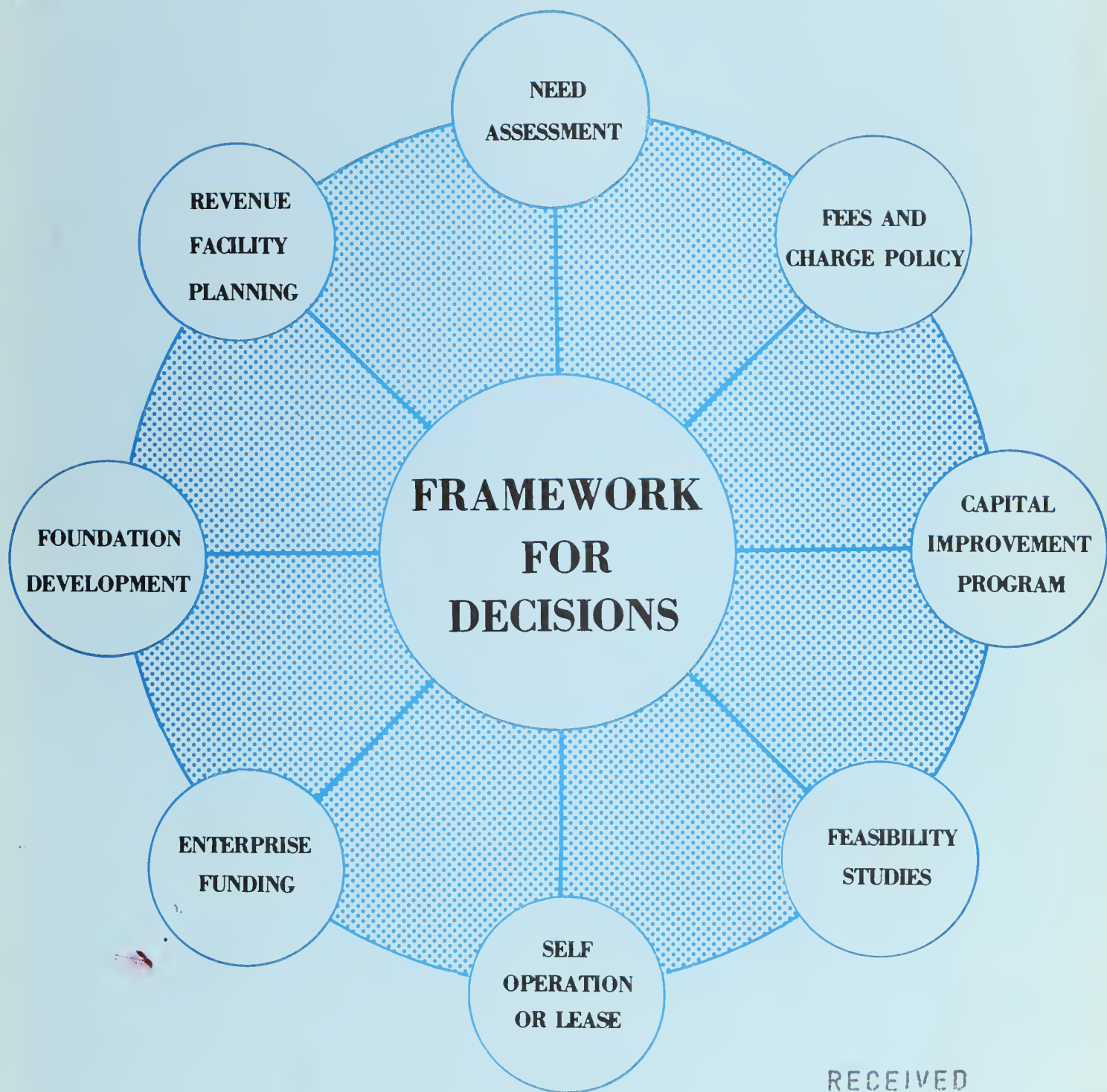


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A GUIDE FOR PARK AND RECREATION FINANCE



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A GUIDE FOR
PARK AND RECREATION FINANCE
FRAMEWORK FOR DECISIONS

Prepared For
GEORGIA DEPARTMENT OF NATURAL RESOURCES
Parks, Recreation and Historic Sites

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October, 1979

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FRAMEWORK FOR DECISIONS

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INTRODUCTION

PARK AND RECREATION FINANCE

FRAMEWORK FOR DECISIONS

The Park and Recreation movement has reached a turning point in its history. For the past 15 years there has been unprecedented growth of facilities and activities. We have profited by the baby boom, ever-increasing tax supported budgets and public acceptance. The climate has changed in the past few years. We are now being asked to operate more for less. Proposition 13 has taken its psychological toll. Most people are talking less taxes but no one seems to talk about less services. What are we to do? This booklet will attempt to present a framework for financial decisions.

There are two strategies for financing Park and Recreation Capital and Operating Costs.

Strategy No. 1 - Offer a fully tax supported program with nominal fees and charges.

Strategy No. 2 - Offer basic services with tax supported funds and special services with diversified funding sources.

This booklet will deal with Strategy No. 2 since it takes little action or initiative to achieve Strategy No. 1.

CHAPTER I

TRENDS

During the 1960's, and much of the 1970's, Park and Recreation Departments and other public agencies were living in a time of plenty. Bond issues and operating budgets were restricted only by the lack of initiative. These days are gone, possibly forever. If initiative was needed in the past to dream, it will be more necessary in these days of Proposition 13 to exist.

We have a changing clientele. There are fewer children in the schools of most jurisdictions; there are more seniors; there are more young people and young marrieds. We therefore need to offer different activities and facilities.

We have changing lifestyles. The energy crisis is here to stay. Our clients will stay closer to home. Our recreation centers will truly become community centers as schools are closed and boundaries are changed.

We need changing priorities. In times of tight money, parks and recreation must offer those activities our constituents want most. We must evaluate programs on a cost effective basis. We must be business oriented.

We must also start actively selling our product.

CHAPTER 11

NEEDS ASSESSMENT

The first action to take in the development of a financial strategy is to find out from your citizens their needs and priorities. Priorities are important in the delivery of present services and the planning and implementation of future facilities and activities.

There are a number of methods to collect data for decision making.

- I. Citizens Advisory Committee -- Many negative terms have been used when citizen input has been mentioned. The cause of such reaction is improper preparation. When proper preparation and planning has been accomplished by staff, there will be reasonable actions that will represent the community. A citizens committee should be reflective of the population; i.e. men, women, boys, girls, black, white, handicapped, seniors and other special populations. They must feel their task is important, that they have a tremendous responsibility and most of all, that their work will have results and actions.
- II. Random Sample Telephone Survey -- There are two ways to accomplish this task. One is to do it inhouse and the other is to interest the local university or college to undertake the task for research purposes. There was an excellent booklet on this subject published by the Urban Institute (under B.O.R. Contract 1-14-07-7) entitled How Effective Are Your Community Recreation Services?

The questions to be asked are most important. They must be well thought out and formulated. St. Petersburg, Florida; Rockford, Illinois; Washington, D. C. and Nashville, Tennessee; are cities that have completed this type of need assessment. The following questions were asked in Nashville, Tennessee:

SURVEY QUESTIONNAIRE

1. How many people are in your household?
2. Would you tell me the age and sex of each person?
3. Name three recreational activities that _____ enjoys
(household member #1)
doing most away from home: (a) _____ (b) _____ (c) _____.
(Repeated for all persons in household).
4. Which of these three is his/her favorite activity?
5. Where does he/she enjoy going most for this activity?
6. Do you think there are adequate opportunities in the Middle Tennessee area for all of these activities?
7. We would like to know how your household members would rate the parks and recreational opportunities in your immediate area. Would you rate them: Excellent, Good, Fair, or Poor?
8. Would you tell me why you say that?
9. Has anyone in your household used _____ Park at
(name of nearest park)
_____ since September 1?
(location or address)
10. If yes, could you tell me how your household members would evaluate this park? Would they rate it: Excellent, Good, Fair, or Poor?

How would they rate it according to the following:
a) Hours of operation; b) Cleanliness; c) Condition and Safety of Equipment; d) Helpfulness and Attitude of Personnel; e) Amount of Space; f) Feeling of Security; g) Variety of Programs and Activities; h) Convenience of Park to your Home.
11. If no, (to question 9) would you tell me why no one used it since September 1?

SURVEY QUESTIONNAIRE (CONTINUED)

12. Let me read a list of possible reasons in case we have overlooked some.
a) Not open convenient hours or days; b) Too far away; c) It's too crowded; d) It's not clean; e) Costs too much to go there; f) Activities not interesting (What would be interesting?); g) Like other Metro facilities better (Why do you say that?); h) Too dangerous (If yes, what do you mean by that?); i) You've been too busy with other things; j) Use private facilities instead; k) Bad weather.
13. Did anyone in your household use _____
(name of nearest Community Center)
Community Center at _____ since September 1?
(location or address)
14. If yes, could you tell me how your household members would evaluate this community center? Would they rate it: Excellent, Good, Fair, or Poor? How would they rate it according to the following:
(Same as in Question 10)
15. If no (to Question 10) would you tell me why no one used it since September 1?
16. Let me read a list of possible reasons in case we have overlooked some.
(Same as in Question 12) with addition of: Did not know about its programs.
17. Has any one in your household been to any other Metro facilities since September 1?
18. If yes, which ones were they and who used them?
19. Which Metro recreation facility does _____ enjoy
(household member #1)
most? (Repeated for all members)
20. Would you tell me why this is his/her favorite facility?
21. Does the household have a family vehicle?
22. What was the last grade, or class, the head of the household completed in school?
23. Do you own your home, or do you pay rent, or do you live with your parents?

SURVEY QUESTIONNAIRE (CONTINUED)

24. About how many years have you lived in Davidson County?
25. About how many years have you lived in the immediate area?
26. Would you tell me approximately what is the level of income for all members of your household; that is, before any taxes? Is your total annual income: Below \$5,000; Between \$5,000 and \$10,000; Between \$10,000 and \$15,000; Between \$15,000 and \$25,000; Over \$25,000?
27. Is your race: White, Black, or Another Race?

Once this survey is completed, it is important that it be analyzed by a qualified person and published in a form easily understood.

- III. Use of Existing Data -- The December, 1977 State Comprehensive Outdoor Recreation Plan (SCORP), a product of the Georgia Recreation Planning Process (GRPP) is an excellent source. This publication describes what is happening in recreation now, and based on this and various assumptions, what will happen in the future.
- The Recreation Services Section of the Department of Natural Resources is continually collecting data that can be used by the local governmental unit to assess their needs and adequacy. Their information and services are available upon request.

These are only three methods of collecting needed data to assist in the formulation of a financial plan. Other methods are user surveys, door to door surveys, direct mail surveys, user interviews, etc.

Once need is established, there are a number of issues to be addressed:

1. What new activities and facilities will be targeted as goals of the department?
2. If new activities are needed, how will they be financed? This dictates the next action, the establishment of a Fees and Charges Policy.

3. Should new facilities be self operated or leased?
4. Are the needed facilities economically feasible?
5. Should the new facility be operated as an Enterprise Fund?
6. Should the new facility be operated with public or private funds?
7. Should the Board or Commission actively seek gifts, bequests, grants, etc.
8. How should budgets be constructed and implemented?

CHAPTER III

FEES AND CHARGES POLICY

A Fees and Charges Policy should address the following:

1. General Statement (reason for policy)
2. Guiding Program and Service Goals
3. General Public Programs and Services
4. Special Programs, Facilities and Services
5. Annual Review of Charges
6. Insuring Participation (opportunities for all)
7. Waiver of Fees
8. Non-Resident Participation
9. Accounting for Funds
10. Expendable or Consumable Materials
11. Pro-rating General and Administrative Costs
12. Service Charge
13. Transportation Costs
14. Program Fee Refunds

It is very important in a Fees and Charges Policy to spell out what the tax dollar will fund as basic services. It is generally accepted that fees and charges are acceptable for all activities offered above and beyond basic services. What is not generally accepted is what basic services are. It will be the responsibility of staff and Board to make this determination.

On the next page is a model policy which will illustrate how a policy can be written. Local activities and situations will dictate the actual policy.

M O D E L

FEES AND CHARGES POLICY

1. GENERAL POLICY -- The heavy demands that are and will be placed on the _____ Park and Recreation Board for new and expanded services and ever increasing operating costs make it necessary to charge users of special programs and facilities.
2. GUIDING PROGRAM AND SERVICE GOALS --
 - A. To provide a comprehensive year-round recreational program which meets the needs of the individuals that compose the neighborhood, community and city, and which makes the public a partner in the process.
 - B. To provide positive recreational experiences which contribute to the individual's physical, social, emotional, creative, cultural, and educational growth, and development in order to enrich the quality of life.
 - C. To provide continuing support for strengthening cooperative efforts with other community agencies.
 - D. To develop qualified staff to promote and expand interest in leisure time programs.
 - E. To conserve nature.
3. GENERAL PUBLIC PROGRAMS AND SERVICES -- Board will provide basic services such as neighborhood playgrounds, community centers, athletic fields, jogging trails, walking trails, bicycle trails, concerts, etc. to all citizens free of charge.
4. SPECIAL PROGRAMS, FACILITIES AND SERVICES -- The Board recognizes that all programs, facilities and services cannot be solely financed from tax funds. To meet demands for new and additional services, the Board shall establish

fees and charges for special programs, facilities and services. Programs that require specialized leaders, special facilities, special supervision, and expendable materials or supplies shall be supported in total or part by fees and charges.

5. ANNUAL REVIEW OF CHARGES -- The Board shall review annually all activities to establish or change fees and charges as appropriate.
6. INSURING PARTICIPATION -- The Board shall insure participation for all citizens regardless of financial means. Basic services must be available to everyone.
7. WAIVER OF FEES -- Fees and charges may be waived by the Director for individuals or families judged financially deprived by an official local or state agency.
8. NON-RESIDENT PARTICIPATION -- Non-residents will be charged a fee 50% higher when there are openings in classes or activities. Residents will be registered first.
9. ACCOUNTING FOR FUNDS -- All fees and charges will be deposited on the day of receipt in the proper account. All refunds will be made by check from the same fund. A monthly statement will be presented to the Board.
10. EXPENDABLE OR CONSUMABLE MATERIALS -- The Director shall have the authority to establish service charges for expendable or consumable supplies, goods and materials.
11. PRO-RATING GENERAL AND ADMINISTRATIVE COSTS -- A percentage of 10% will be added to all fees and charges to cover general and administrative costs.
12. SERVICE CHARGE -- The Board may establish a service charge for particular activities or rentals to defray the cost of replacing or repairing equipment, materials and supplies.

13. TRANSPORTATION COSTS -- The cost of furnishing transportation to special events will be pro-rated among the riders.
14. REFUNDS -- Refunds will be made only after the completion of the proper form. The refund will be made in full when requested one week prior to start of classes, leagues or other designated activities. When refund is requested less than a week before the start, 20% will be retained as an administrative cost. If a refund is requested after the classes or activity begins, 20% plus a pro-rated amount for classes already conducted will be assessed. (There are many types of refund policies.)

CHAPTER IV

CAPITAL IMPROVEMENTS PROGRAM

It is very important in all financial programming to have a plan. It is more important when looking at revenue producing facilities. If revenue bonds are to be used there must be a cash flow to allow one facility to be on its feet before another is underway. It is difficult to understand the high number of agencies who do not adopt long range planning.

The minimum time identification of the capital needs of a parks and recreation system should be five years. The capital improvements program should be revised annually to keep it in tune with the agency's standards and objectives and the changing needs and resources of the city or county. Sources of funding should be listed in order that everyone involved know their commitment.

When revenue bonds and/or general obligation bonds have the revenue of the facility earmarked for operation and debt service, it is easier to sell the governing authority. A good argument at this point is: Why should users be forced to wait for a needed facility or activity if they are willing to pay the total cost? This is especially true if it has been shown to be economically feasible by a proper feasibility study. This leads us into the next chapter on feasibility studies.

FEASIBILITY STUDIES

A feasibility study can be done inhouse or by a consultant firm. The big advantage of using an outside firm is their acceptance. Bankers will rely more on an outside expert.

The outline below is a basic format for an inhouse feasibility study but it can also be used as a check list when interviewing consultants or when analyzing their data to make sure they have addressed important points.

The purpose of a feasibility study is to supply irrefutable evidence of several types to support the conclusion that contemplated development is, or is not in fact, economically feasible.

No two feasibility studies will ever be identical. Normally, much more data will and should be collected than is used.

BASIC FORMAT FOR A FEASIBILITY STUDY

I. INTRODUCTION

1. Why the study is being undertaken.
2. What is to be evaluated.
3. How it is to be evaluated.
4. Who has done it.
5. When it was done.

As you can see, these are basic questions as used by journalists or newspaper reporters.

II. GENERAL CHARACTERISTICS OF THE MARKET AREA

A brief, general description of the location, its population, economic and population growth rates, and other relative characteristics which relate directly to the geographic area.

III. SUPPLY - DEMAND ANALYSIS

1. Physical measurement

- a. Inventory of all existing competitive facilities.
- b. Inventory of all anticipated or announced facilities.

These inventories should indicate size, quality, range and services offered. Maps should be used.

2. Principal sources of demand

- a. Growth in activity (locally and nationally).
- b. Growth in related activities.

Sources may be Chambers of Commerce, National Associations, Visitors and Convention Centers, Hotel and Motel Associations, etc. Also, interviews may be conducted to measure demand.

IV. SITE EVALUATION

1. General location considerations

- a. Central business district and other sub-centers of business activities.
- b. Transportation routes and facilities.
- c. Location of other related facilities.
- d. Availability of utilities.
- e. Physical characteristics.

Dimensions, existing improvements, estimated cost of site preparation, adequacy of land area for expansion, soil conditions, etc.

- f. Future street plans.
- g. Cost of raw land.

V. ESTIMATED COSTS OF FACILITY

1. These are the general criteria used to arrive at preliminary costs:

V. ESTIMATED COSTS OF FACILITY (Continued)

- a. Square feet of space required for central attraction, plus square feet of space required for related space facilities; such as, storage or utilities, rest rooms and lounges, concessions (over the counter and/or vending), meeting rooms, maintenance storage, offices, ticket booths.
- b. Gather local bid price ranges from recent contract on a square foot basis. Evaluate types of construction related to prices.
- c. Multiply total square feet required by the appropriate square foot cost. This will give a reasonable preliminary estimate of the facility itself.
- d. Add estimated costs for:
 - Grading
 - Utility taps and costs of extending lines
 - Landscaping
 - Roads and parking areas
 - Signs, outdoor lighting, etc.

VI. ESTIMATED INCOME

1. Line item listing of all contemplated revenues
 - Entrance fees, admission fees, rental fees, user fees, sales revenues, license and permit fees, and special service fees.

NOTE: These estimates should be conservative.

VII. ESTIMATED EXPENSES

1. Line item listing of all contemplated expenses

- Personal Services
- Contractural Services
- Supplies
- Materials
- Fixed Charges
- Debt Service
- Grants
- Contributions
- Indemnities
- Pensions
- Capital Outlay
- Etc.

VIII. SUMMARY AND CONCLUSIONS

A synopsis of study findings, conclusions and recommended action. The study achieves its objectives when sufficient evidence is presented in an orderly manner so management is able to reach its own conclusions without asking further questions or depending on the conclusions of the analyst.

A good feasibility study is not a guarantee of success. The vital factor in the success or failure of the undertaking is proper management.

A good feasibility study will also take into consideration the factor of Self Operation or Lease, the topic chosen for the next chapter.

CHAPTER VI

SELF OPERATION OR LEASE

If a city or county can afford to construct all needed facilities and has the staff expertise to operate them, there would not be a reason to consider leased facilities.

In the case of an indoor tennis facility, ice rink or equestrian center, for instance, it could be advantageous to consider accepting proposals from interested parties.

In almost all such leases, the lease holder will pay a percentage of gross sales for the privilege of operating. It should also be noted that lease holders will normally be required to pay the local government a leasehold tax also.

The lease should stipulate the length of the contract. Most leased facilities are for approximately 20 years. At the end of the lease period the facility becomes the property of the city or county. Items of importance in a proper lease include:

- | | |
|---|---------------------------------|
| 1. Term of lease | 11. Qualifications of bidder |
| 2. Payment to city or county
(always gross sales -- never net) | 12. Availability of records |
| 3. Insurance | 13. Use of leased property |
| 4. Licenses or permits | 14. Damage of property |
| 5. Forfeiture or cancellation | 15. Payment of taxes |
| 6. Performance Bond (very important) | 16. Observance of laws |
| 7. Options | 17. Surrender of possessions |
| 8. Rate review and approval | 18. Modifications or extensions |
| 9. Reassignment of lease | 19. Notices |
| 10. Annual review and approval
of fees and charges | 20. Location and types of signs |

CHAPTER VII

ENTERPRISE FUNDING

Revenue producing facilities are one answer to increasing services without increasing general taxes. Too often revenue producing facilities are operated like all other activities. They should be operated in a business-like manner and be expected to pay their way. An enterprise fund is the proper way to account for such activities.

What is an enterprise fund? It is the governmental accounting method established to record the transactions of activities which are predominately (or entirely) self supporting through user charges. The expenditure pertinent to the acquisition, operation and maintenance of enterprise facilities are taken into account in an enterprise fund.

The major obstacle in the establishment of an enterprise fund is the breaking of precedent. It has been a tradition that all park and recreation receipts are deposited in the general fund. Local officials must be convinced that revenue producing facilities are enterprises just like city auditoriums and utilities. It is an activity that participants are willing to pay for. You are willing to be held accountable for the operation of a business.

Positive statements should be made:

1. A feasibility study has shown that users can pay for the facility.
2. Local officials can point with pride that the activity does not require tax funds.
3. One successful operation will pave the way for others.
4. Some leading Parks and Recreation Departments are using this tool.
5. Offer to go with interested officials to visit one or more of these departments. Examples that can be pointed to are Nashville,

Tennessee; Minneapolis, Minnesota; and Maryland-National Park and Planning Commission, Silver Springs, Maryland.

Funding -- Enterprises operated by governmental units and accounted for in Enterprise Funds may be acquired by negotiated or direct purchases, by the exercise of the power of eminent domain, or, if the facility is a new one, by contract for construction. The acquisition or development may be financed from existing cash resources, the issuance of bonds -- revenue, general obligation or a combination of both -- or by contributions from other governmental units; general funds of the same governmental unit, property owners, subdivision developers, and customers. There are instances in which more than one or all of these sources of financing may be employed. Once acquired, by whatever method of payment, each enterprise should be operated as an individual entity separate from other enterprises and activities of the owning governmental jurisdiction.

Although the financial policies of publicly-owned enterprises vary from one kind of enterprise to another, the financial operations of these enterprises have reflected increased use of revenue bonds during recent years, and this type of debt has imposed additional requirements on enterprise fund accounting and reporting. Revenue bonds, usually, are long-term obligations, the principal and interest of which are paid from the earnings of self-supporting enterprises on which the bond proceeds are spent. This type of debt may, in addition to a pledge of revenue, also include a mortgage on physical properties of the system, exercisable in the event of default.

User Charges -- Regardless of the pattern of the governmental organization, however, the significant attribute of such enterprise activities is that they are financed primarily by charges to consumers. It is also important that the accounting for them must make it possible to show whether such charges are adequate to cover the related costs -- in essence, this indicates whether they

are operated at a profit or loss, similar to comparable private enterprises. However, it should be emphasized here that governmental bodies are not "in business to make a profit." In fact, it is preferable to avoid usage of such terminology -- and recognize that the result more properly represents "an excess of revenue over expenditures" or vice versa, as the case may be.

In providing the services for which they were established, governmental enterprises acquire assets and incur operating expenses and liabilities in the same manner as do commercial enterprises. Similarly, the services are priced to consumers in accord with established policies and rate schedules; and collections are made by various methods, depending on the type of enterprise involved. For certain enterprises, such as toll bridges, swimming pools, golf courses, and transportation systems, users pay individual charges prior to each individual admission or use of the particular facility. In others, the services are first provided and the user/consumer is then billed at predetermined intervals for the value of service consumed. This is the case in utilities (water, gas, electric), transportation systems, hospital rooms, airport facilities, etc.

In most jurisdictions, enterprises are required to adopt and operate under budgets in the same manner as non-enterprise operations of governmental units.

Regardless of legal requirements in this respect, however, it is widely recognized that sound financial administration requires the preparation and adoption of a comprehensive annual budget for each enterprise activity. This is necessary to insure that service objectives of the enterprise will be attained, that expenditures are properly controlled, and that adequate resources in the form of operating revenues and borrowed funds will be available in the proper amount; also, that the latter will be on the correct schedule to meet operating expenses and capital outlay requirements. These attainments are not only important

for the individual enterprise fund, but also to the proper budgeting and operation of other funds to which such a fund has fixed commitments and continuing obligations.

While the preparation and adoption of a comprehensive budget is essential for good management, this does not mean the same degree of budgetary control must be exercised in executing an enterprise budget; or that there be a formal system of budgetary accounting such as that required for general and special revenue funds. On the contrary, since a utility or other enterprise is often a self-supporting operation of a commercial nature, its expenditures should not be controlled by means of detailed and rigid appropriations. These expenditures will vary with the timing and level of demand for service. If too rigidly controlled, you might delay the necessary expansion of activities, impede satisfactory performance, or inhibit vitally required management reactions.

Accounting -- The accounting for all enterprise funds of government, like that for private, profit-making businesses, should be on an accrual basis. (Not on the basis of when cash is received, and when cash is spent.)

This means that revenues from enterprise operations are to be recorded in the books of account when earned, and expenses recorded when liabilities are created and/or incurred. As noted earlier, the principal sources of revenue of an enterprise fund are sales of services to customers. These often are cash fees in advance, such as admission charges; but may be on a "credit basis" -- to be paid at a later date. As customers are billed, accounts receivable are set up on the records, and the accounts for the various revenue sources are credited. Similarly, as expenses occur, they are charged to the appropriate expense accounts, and a liability or cash account is credited. If operating expenses are involved, that is, those directly connected with provision of the basic service for which the enterprise exists, a control account "operating expenses" is debited, and postings are made to the appropriate subsidiary accounts.

In addition to the proper classification and recording of operating

income and expenses, a distinction should be drawn in enterprise accounting between operating income and expenses, on the one hand, and non-operating income and expenses, on the other. The latter represents income and expenses which are incidental to, or by-products of, the enterprises' primary services. Non-operating income consists of such items as interest earnings on invested funds, receipts from sales of junk, lease rentals of non-operating property, and the like. Interest expense and fiscal agents' fees constitute the more usual items of non-operating expense.

Fixed Assets -- Fixed assets are buildings or improvements acquired, whether purchased intact, constructed on a contractual basis by outsiders, or built by force account, and non-dispensable equipment.

One of the unusual aspects of enterprise accounting is that depreciation on fixed assets, and accounts receivable not collected (i.e., bad debts) are recorded as expenses. The reason for this is that fees and charges must generate enough revenue to pay not only operating cost, but replacement costs as well. Fixed assets should be recorded at total cost, which includes construction, engineering fees, legal expenses, supervisory services, etc. This total cost is then recorded as an expense spread over the estimated useful life of the asset. That is, on each year's expense records an amount is included which is proportionate to one year of the useful life of the asset. By setting this money aside, it accumulates and future replacements are assured.

An enterprise fund is an incentive to staff as all receipts stay in the fund and are not placed in the general fund. Any funds left over after expenses can be invested or spent on other services.

CHAPTER VIII

REVENUE FACILITY PLANNING

It is important for any staff and Board to realize that revenue producing facilities are businesses and should meet basic criteria:

1. It must be a needed facility.
2. The fee must relate to the merchandise or service provided.
3. The facility must "fit in" with other activities of the department.
4. The facilities are usually expected to be substantially self-supporting.
5. The facilities must be first class. (It does not take long to judge cheapness.)

When choosing an architect or consultant to design a facility, a department should appoint an architect review board or panel. Many departments do not go through this process. When all interested firms are invited to submit a proposal before a committee, they will be more creative. Questions should be prepared for panel members in advance. A few questions to ask are:

1. What makes your firm qualified to design this facility?
2. Have you designed a similar facility?
3. What planning will you farm out?
4. What other agencies have you worked with? Will you give names of contact?
5. What is your record of staying within budgeted funds?
6. How many bidders have you had on similar facilities?
7. How many change orders have you had on similar facilities?
8. How many days or months do you guarantee delivery of bid documents?
9. How do you determine fee? Is construction inspection a part of your fee? Is a model or rendering a part of the fee?

10. Will you schedule a visit of other like facilities with staff and board included?
11. How do you work with the park and recreation department staff?

These are only a few of the questions that can be asked.

It is highly desirable for staff and/or board members to visit like facilities in other cities. When making these visits, meet with facility operators and custodians. Many times the custodian can tell you more about poor design than anyone. Ask what they would change if they could build it again. Profit by mistakes of others as well as their successes.

When planning facilities it is important to cluster facilities. As an example, a Wave pool is better if a water slide, children's water playground, miniature golf, picnicking, etc. or other facilities are built as a unit. When visitors have more than one activity they will stay longer. It is also more economical to operate more than one facility if they are planned together.

CHAPTER IX

FOUNDATION DEVELOPMENT

A recent trend in financing of park and recreation facilities is that of a Foundation development.

There are many individuals and corporations who are willing to give money and services to park and recreation departments if they are asked. A brush company, many years ago, said, "If you knock on enough doors, you will sell a brush." This principle is true.

There are gifts, bequests, and grants available if we are willing to work.

The first action is commitment. The second is organization. Have a local corporation lawyer give you advice on the establishment of a non-profit corporation. Choose the most influential persons in town and ask them to serve on the Board. Staff should take the needs as ranked in priority in the earlier chapter and challenge the local foundation to pick a project or projects. A needs catalogue is an excellent document for a foundation. It is important that the Foundation Board work under the policy of the Park and Recreation Board. They should compliment each other and not be competitive of each other.

The strongest point in favor of a foundation is the support and clout it gives the department. Money is important but support and understanding of what we are doing is even more important.

The staff and board must decide the type of foundation they are going to have. The types can range from a passive one that serves as only a pass-through for funds to accomplish one project to a very active foundation. The financial climate and aggressiveness of staff and board will usually decide. The size of city or budget is not the key. One of the most effective ways of

deciding future action is a visit by the Director of the department and the President of the Board to a city which has been successful in this endeavor. The Oglebay Institute in Wheeling, West Virginia; the Minneapolis Parks Foundation in Minneapolis, Minnesota; and the Park People in Denver, Colorado, are good examples. There are a number of new park foundations in the beginning stage.

The best training school at this time is The Fund Raising School, P. O. Box 3237, San Rafael, California 94902. They conduct schools in various sections of the country.

The best available information on philanthropic foundations through programs of library service, publication and research is The Foundation Center. One of their Regional Cooperating Collection Centers is the Atlanta Public Library, 10 Pryor Street Southwest, Atlanta, Georgia 30303.

CHAPTER X

BUDGET PREPARATION AND STRATEGY

In times of tight money what agency gets first pick? Police, fire and then who? The parks and recreation movement has not been active enough in the marketing of their product which is service. We are serving people when they wish to be served. They choose our service -- it is not mandatory. Most other agencies do not have the public relations opportunities that we have. How many people ever thank Public Works for fixing a pot hole or picking up garbage? The hole should not have occurred in the first place; garbage pickups are taken for granted. We have an ever changing clientele, society and program. Are we taking advantage of it to sell budgets?

We must develop clout! We must first inform as many people as possible what we are doing. We must sell! We must appear before as many civic groups as possible to tell our story. It is amazing how few people really know what we are doing.

The strongest point any agency can have in selling a budget is credibility. Many persons in the field are afraid to tell politicians "no." They will try to delay the decision. Most politicians will understand if you tell them why. They are then able to tell their constituency. They also may be able to change the situation. They can be your best friend if they know you are shooting straight with them. A delayed answer helps no one.

It is also important for an agency to set the trend in budgeting instead of always reacting. Look into zero base budgeting, program budgeting and other variations. These systems do not replace line item budgets but they do change the emphasis from numbers of items needed to programs. Programs of service is the important factor. Be a leader and your agency will benefit greatly.

Budgets are the financial plan to accomplish the service goals of the Park and Recreation Board and city and therefore should be given more than an annual updating of percentages. Service levels should be re-evaluated. New programs should be considered. Priorities should be established.

The more people involved in the budget process the easier it is to sell. All too often the director and key staff members are the only ones involved. If employees are going to be asked to respond to budget cuts or increases they should be involved in the process. Every facility staff should have a budget of their own. A budget is a family decision. All employees and board members are members of the family.

We need to use the clout we have with the many persons we serve to insure our receiving our share of the financial pie. To do this we must ask our constituency to voice their need for our services. This voice must be constant and not just at budget time. We must work on our public information and relations daily.

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